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The Treasury Note

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Bond Measures on the November 5 Ballot

The following is a list of proposed statewide bond measures that will appear on the November 5 ballot. Detailed information regarding these bond measures is available in your voter pamphlet or on the Secretary of State's website at: http://www.ss.ca.gov/elections/elections_viguide.htm.

■ Proposition 46 – Housing and Emergency Shelter Trust Fund Act of 2002

This measure allows the State to sell \$2.1 billion of general obligation bonds to fund 21 housing programs.

■ Proposition 47 – Kindergarten-University Public Education Facilities Bond Acts of 2002

This measure allows the State to issue \$13.05 billion of general obligation bonds for construction and renovation of K-12 school facilities (\$11.4 billion) and higher education facilities (\$1.65 billion).

■ Proposition 50 – Water Quality, Supply and Safe Drinking Water Projects. Coastal Wetlands Purchase and Protection Bonds

This measure allows the State to sell \$3.44 billion in general obligation bonds for various water-related programs. More than half of the funds would be allocated to two purposes – coastal protection and the CALFED Bay-Delta Program.

2002-03 Budget Highlights

The Legislature passed California's 2002-03 budget on August 31. For only the third time in 50 years, the \$98.9 billion budget reflects a decrease in year-over-year General Fund expenditures. Decreases occurred in every area except education and general government/tax relief.

Funding was sustained in the core areas of education, public safety, vital seniors' programs, and health insurance for children.

For more information regarding the State's 2002-03 budget please visit the Department of Finance's website at http://www.dof.ca.gov/HTML/BUD_DOCS/Bud_link.htm.

2002-03 General Fund Budget Summary (Dollars in Millions)

	2001-02	2002-03
Prior Year Balance	\$3,037	\$72
Revenues and Transfers	\$73,898	\$79,158
Total Resources Available	\$76,935	\$79,230
Expenditures	\$76,863	\$76,722
Fund Balance	\$72	\$2,508
Budget Reserves		
Reserve for Liquidation of Encumbrances	\$1,473	\$1,473
Special Fund for Economic Uncertainties	-\$1,401	\$1,035

Redemptions & Defeasances

The listing below reflects redemptions and defeasances officially announced as of October 1, 2002.

California State University Student Union Revenue Bonds, Bakersfield, Series A, Dated Date: December 1, 1992 (Full Defeasance).

All bonds (CUSIP Numbers 130776NQ6, 130776NT0, 130776NW3, 130776NZ6, 130776PC5, 130776PF8, and 130776PS0) will be redeemed on November 1, 2002.

California State University Student Union Revenue Bonds, Hayward, Series A, Dated Date: April 1, 1994 (Full Defeasance)

All bonds (CUSIP Number 130774J37) will be redeemed on May 1, 2003.

All bonds (CUSIP Numbers 130774J45, 130774J52, 130774J60, 130774J78, 130774J86, 130774J94, 130774K27, 130774K35, 130774K43, and 130774K50) will be redeemed on May 1, 2004.

California State University Student Union Revenue Bonds, Bakersfield, Series A, Dated Date: December 1, 1992 (Full Redemption).

All bonds (CUSIP Numbers 130776NT0, 130776NW3, 130776NZ6, 130776PC5, 130776PF8, and 130776PS0) will be redeemed on November 1, 2002.

California State University Student Union Revenue Bonds, Northridge, Series B, Dated Date: December 1, 1992 (Partial Redemption).

\$415,000 of the bonds (CUSIP Number 130776PH4) due November 1, 2008;

\$445,000 of the bonds (CUSIP Number 130776PJ0) due November 1, 2009;

\$475,000 of the bonds (CUSIP Number 130776PK7) due November 1, 2010;

\$510,000 of the bonds (CUSIP Number 130776PL5) due November 1, 2011;

\$545,000 of the bonds (CUSIP Number 130776PM3) due November 1, 2012;

\$580,000 of the bonds (CUSIP Number 130776PN1) due November 1, 2013;

\$625,000 of the bonds (CUSIP Number 130776PP6) due November 1, 2014;

\$3,835,000 of the bonds (CUSIP Number 130776PQ4) due November 1, 2019; and

\$3,005,000 of the bonds (CUSIP Number 130776PT8) due November 1, 2022, will be redeemed on November 1, 2002.

State of California, Various Purpose General Obligation Bonds, Dated Date: November 1, 1992 (Partial Redemption).

\$32,175,000 of the bonds (CUSIP Number 130628ZC7) due November 1, 2017, will be redeemed on November 1, 2002.

Questions regarding redemptions or defeasances can be directed to *Investor Relations* at (800) 900-3873.

Bond Sales Calendar^{1, 2}

If you are interested in purchasing any of these bonds, please contact your broker two weeks before the sale date. For updated information, check our website (www.treasurer.ca.gov) or call *Investor Relations*.

PROPOSED BOND SALES	AMOUNT	SALE DATE
DWR Power Supply Revenue Bonds	\$11.8 billion	To be determined
Revenue Anticipation Notes	\$7 billion	Week of October 7
General Obligation Bonds (Fixed Rate)	\$1 billion	Week of October 7
State Public Works Board	\$180 million	Week of October 21
State Public Works Board	\$400 million	Week of November 20
Tobacco Securitization Bonds	\$4.5 billion	Winter/Spring 2003

¹ Subject to change

² Economic refundings may be added
